

## **CLO EXHIBIT 11**

1 J. SEERY

2 of function.

3 Q. I believe you said the  
4 reorganized Debtor will be terminating,  
5 did you say, most of its advisor  
6 employees?

7 A. Yes.

8 Q. Does it intend to hire new  
9 advisors?

10 A. New employees or consultants.  
11 We are working that through.

12 Q. New employees to serve --  
13 (Reporter interruption.)

14 A. They may be hired as employees  
15 or consultants. But to do basically the  
16 same functions.

17 Q. Do you know who those people are  
18 going to be at this point?

19 A. I don't have it all ironed out,  
20 no.

21 Q. Setting aside the Highland  
22 background and Dondero, just in a general  
23 sense, do you think it is unreasonable for  
24 a party to not want millions of dollars of  
25 its money to be managed by a manager that

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2 is going through bankruptcy and intends to  
3 terminate most of its advisor employees  
4 and then hire undisclosed replacements for  
5 those advisors?

6 MR. MORRIS: Objection to form  
7 of the question. Brian, there is  
8 going to be a deposition on Monday for  
9 confirmation discovery. I am not sure  
10 how this relates at all to the  
11 Complaint. But you are free to ask.  
12 I am just pointing it out that these  
13 last few questions, I just don't see  
14 the relevance for this particular  
15 proceeding. I promise you you will  
16 have the chance on Monday to ask these  
17 questions.

18 Q. You can answer.

19 A. Do I think it is unreasonable?

20 No. I think the Bankruptcy Code and  
21 provisions of the code are quite  
22 reasonable. So, to the extent that the  
23 Bankruptcy Code permits a counterparty to  
24 challenge the assumption of agreements or  
25 somehow challenge what the agreements --

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2 the entity's capability, then that would  
3 be permitted under the code. To the  
4 extent that the counterparty doesn't like  
5 the Bankruptcy Code, then I disagree with  
6 the counterparty. I think it's a pretty  
7 reasonable set of laws.

8 Q. But your contention that the  
9 attempt by the Defendants or, I guess, the  
10 potential attempt by the Defendants to  
11 replace the Debtor as the portfolio  
12 manager, you contend that is done in bad  
13 faith based on your belief that Jim  
14 Dondero is somehow pulling the strings  
15 from behind the scenes?

16 MR. MORRIS: Objection to form.

17 A. That's correct.

18 MR. CLARK: I pass the witness.

19 MR. MORRIS: That should be it.

20 MR. RUKAVINA: I have very few,  
21 but before it is my turn, does anyone  
22 else have questions?

23 MR. MORRIS: Nobody else should  
24 have questions since you are the two  
25 lawyers representing all the

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2 Defendants. This isn't open season.

3 But I am delighted to let you proceed.

4 EXAMINATION BY

5 MR. RUKAVINA:

6 Q. Mr. Seery, my next question is  
7 not intended to insult you or suggest  
8 anything. But is it your position that  
9 after assumption, my clients should be  
10 prohibited from trying to terminate these  
11 contracts if you commit fraud or are  
12 indicted for SEC crimes that are felonies?

13 A. No.

14 Q. Was the answer no?

15 A. The answer is no.

16 Q. What about other causes in the  
17 agreements? If there are objective causes  
18 to terminate that are provable, should my  
19 clients be prohibited from terminating the  
20 agreements post-assumption?

21 A. I'd have to look at each cause.

22 MR. RUKAVINA: Pass the witness.

23 Thank you.

24 MR. MORRIS: I have no  
25 questions.